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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2007 MAY -21 A 10: 08

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERECE

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE JOINT APPLICATION
TO BEARDSLEY WATER COMPANY AND
ARIZONA-AMERICAN WATER COMPANY TO
REALIGN THEIR CERTIFICATED WATER
SERVICE TERRITORIES IN MARICOPA
COUNTY, ARIZONA

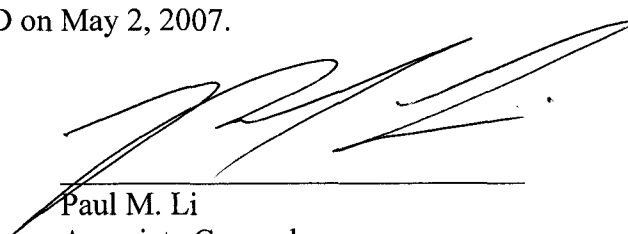
DOCKET NO. W-02074A-07-0079
DOCKET NO. W-01303A-07-0079

**ARIZONA-AMERICAN WATER
COMPANY NOTICE OF
COMPLIANCE FILING**

In compliance with Decision No. 68917, and per Administrative Law Judge' order in
Docket No. W-02074A-07-0079 and No. W-01303A07-0079, Arizona-American Water
Company ("Arizona-American) hereby files:

1. A copy of the February, 2007 water bill insert sent to Arizona-American Water
Customers who receive waste water service from City of Surprise.
2. An affidavit from American Water Company Western Region Communication and
Corporate Responsibility Manager Debra Vernon, attesting that the above mentioned
notice was included along with each February 2007 bill mailed to all Arizona-
American Water Customers who receive waste water service from City of Surprise.

RESPECTFULLY SUBMITTED on May 2, 2007.


Paul M. Li
Associate Counsel
Arizona American Water
19820 N. 7th Street
Suite 201
Phoenix, Arizona 85024
602-445-2442
Paul.Li@amwater.com

Arizona Corporation Commission
DOCKETED

MAY -2 2007

DOCKETED BY

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1 Original and 13 copies filed
2 on May 2, 2007, with:

3
4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007
8

9 Copies of the foregoing mailed
10 on May 2, 2007, to:

11
12 Ernest Johnson,
13 Director, Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington St.
16 Phoenix, Arizona 85007
17

18 Chris Kempley, Chief Counsel
19 Legal Division
20 Arizona Corporation Commission
21 1200 West Washington St.
22 Phoenix, Arizona 85007
23

24 Compliance Section
25 Arizona Corporation Commission
26 1200 West Washington St.
27 Phoenix, Arizona 85007
28

29 Steven A. Hirsch
30 BRYAN CAVE LLP
31 One Renaissance Square
32 Two North Central Ave
33 Suite 2200
34 Phoenix, Arizona 85004
35

36
37 By: 
38 Courtney Appelhaus



**IMPORTANT INFORMATION ABOUT YOUR
WATER SERVICE AND CITY OF SURPRISE
WASTEWATER SERVICE**

The City of Surprise has adopted Resolution #04-221 authorizing Arizona-American, as per Municipal Code Section 13.02.330, to assist in the collection of delinquent sewerage bills or charges when requested to do so.

On November 1, 2005, Arizona-American filed an application with the Arizona Corporation Commission for a tariff that grants a variance from A.A.C. R14-2-410.A.2, thereby permitting the Company to disconnect water service to the Company's customers for failure to pay for services not regulated by the Commission. In this case, the failure to pay pertains to City of Surprise sewer service. The Commission granted the variance in Decision No. 68917 dated August 29, 2006. This waiver, however, does not imply the Commission has any regulatory authority over the City of Surprise Wastewater Services or jurisdiction to mediate any complaints regarding a customer's wastewater services.

The City and the Company have entered into a Water Services Termination Agreement that provides the following:

1. The City may request that the Company terminate water service to a sewer customer of the City who is liable to the City for overdue sewer charges ("Delinquent Customer") by allowing the Company to put the Delinquent Customer through the steps of the Company's collection process.

2. The steps the Company agrees to take are specifically limited to:
 - a. Shutting off the water source to premises where the Delinquent Customer receives Company water and City sewer utility service;
 - b. Notifying the City of the shut-off date of water;
 - c. Keeping a separate record detailing all of the City's requests for termination under this Agreement;
 - d. Resuming water utility service to the premise
3. In order for the Company to disconnect service on behalf of the City, the Company will:
 - a. Notify the Delinquent customer in writing that water service by the Company will be terminated ten (10) days after the date of the delinquent notice as a result of the delinquent sewer bill.
 - b. Notify the Delinquent Customer upon payment of unpaid charges that in order for water service to be reestablished, all water faucets must be turned off.

If you have questions about this agreement or process, you may call Customer Services at 623-594-5785.

STATE OF CALIFORNIA)
) SS
COUNTY OF Ventura)

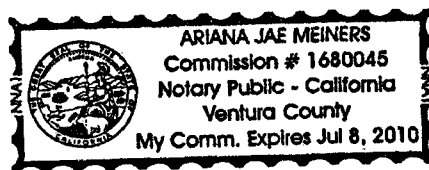
Debra Vernon, being first duly sworn, upon oath deposes and says: That she is the Communications and Corporate Responsibility Manager for Western Region of American Water Company, Inc., and that the attached notice were included along with each February 2007 bill mailed to all of the Arizona-American Water customers who receive waste water service from City of Surprise.

04/26/07
Date

Debra D. Vernon

Signature

Sworn to before me this
26 day of April, 2007



Ariana Jae Meiners
Notary Public